



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

AUG 05 2010

SE: T:EP: RA: AZ

Re:

Dear :

This letter constitutes notice that conditional approval has been granted for your request for a modification of the Internal Revenue Service's ("Service") prior ruling approving a 10-year extension for amortizing the Plan's unfunded liabilities for the plan year beginning May 1, 2003. The unfunded liabilities are described in Code Section 412(b) and Section 302(b)(2)(B) of the Employee Retirement Security Act of 1974 ("ERISA"), prior to amendment by the Pension Protection Act of 2006 ("PPA '06"). The conditions of this conditional approval are outlined in this letter. Your authorized representative accepted these conditions in a letter dated

The prior amortization extension was granted subject to certain conditions. Conditions 1(a) and 1(b) stated that:

- (1) the Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed by using the unit credit method and the Plan assumptions as of May 20) is:
 - (a) no less than 78% for each valuation date from May 20 , through May 20 inclusive;
 - (b) for each valuation date subsequent to May 20 no less than % greater than the floor funded ratio as of the previous valuation date. (For example, because the floor funded ratio as of May 20 is %, the funded ratio must be at least % as of May 20 , and % as of May 20).

The ruling would be retroactively null and void if the conditions were not met. However, the ruling indicated that the Service would consider modifications of these conditions

especially in the event that unforeseen circumstances beyond the control of the Plan might cause the actual experience of the Plan to fail to satisfy the funded ratio benchmarks set by this condition. An example of such unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. This unforeseen circumstance occurred for the plan year ended April 20 with the general decline in asset values worldwide.

This conditional approval modifies conditions 1(a) and 1(b) outlined above, effective May 20 as follows. No other condition is modified.

- (1) The Plan's funded ratio, calculated by dividing the Plan's market value of assets by its actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of May 20) is;
 - a. no less than 57% for each valuation date from May 20 through May 20 inclusive;
 - b. for each valuation date subsequent to May 20 , no less than % greater than the required funded ratio of the previous valuation date, until a funded ratio of 100% is achieved as of May 1, 20 (For example, because the floor funded ratio as of May 20 is %, the funded ratio must be at least 60% as of May 20 and % as of May 1, 20).

If any of the prior and modified conditions is not satisfied, the approval to extend the amortization periods of the unfunded liabilities will be null and void, retroactive to May

However, the Service will consider modifications of these conditions, especially in the event that unforeseen circumstances beyond the control of the Plan may cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would be market fluctuations which affect the value of the Plan's assets. Of course, any request for a modification would be considered another ruling request and would be subject to an additional user fee.

Your attention is called to section 412(c)(7) of the Code and section 302(c)(7) of ERISA which describe the consequences that would result in the event the Plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while the amortization extension remains in place. Please note that any amendment that increases liabilities for a profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan (whether qualified or unqualified) maintained by the Trustees for the Plan and covering participants of the Plan to which this ruling applies, would be considered an amendment for purposes of section 412(c)(7) of the Code and section 302(c)(7) of ERISA.

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This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

We have sent a copy of this letter to the Manager,
to the Manager, and to your
authorized representative pursuant to a power of attorney on file in this office.

If you require further assistance in this matter, please contact

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D. M. Ziegler". The signature is fluid and cursive, with a large initial "D" and a stylized "Ziegler".

David M. Ziegler, Manager
Employee Plans Actuarial Group 2